

***BUDGET & FINANCE COMMITTEE***

***Of the***

***Suffolk County Legislature***

A meeting of the Budget & Finance Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, New York, on January 10, 2006.

**Members Present:**

Legislator Ricardo Montano • Chairman

Legislator Louis D'Amaro • Vice•Chair

Legislator Jon Cooper

Legislator Vilorio•Fisher

Legislator Cameron Alden

Legislator Daniel Losquadro

Legislator Jay Schneiderman

**Also In Attendance:**

Presiding Officer Bill Lindsay • District #8

George Nolan • Counsel to the Legislature

Renee Ortiz • Chief Deputy Clerk of the Legislature

Bob Martinez • Aide to Legislator Montano

Mike Cavanaugh • Aide to Presiding Officer Lindsay

Linda Burkhardt • Aide to Presiding Officer Lindsay

Michael Pitcher • Press Secretary to Presiding Officer Lindsay

Ron Cohen • Aide to Legislator D'Amaro

Linda Bay • Aide to Minority Caucus

Paul Perillie • Aide to Majority Caucus

Frank Tassone • Aide to Legislator Losquadro  
Eric Brown • Aide to Legislator Schneiderman  
Lora Gellerstein • Aide to Legislator Cooper  
Carl Yellon • Aide to Legislator Kennedy  
Seth Squicciarino • Aide to Legislator Cooper  
Gail Vizzini • Director/Budget Review Office  
Lance Reinheimer • Assistant Director/Budget Review Office  
Robert Lipp • Chief Economist/Budget Review Office  
Paul Perillie • Aide to Minority Caucus  
Ben Zwirn • Assistant County Executive  
Jim Dahrough • County Executive Assistant  
Tom Vaughn • County Executive Assistant  
Allen Kovesdy • Deputy Director/County Executive's Budget Office  
Rick Brand • Newsday  
Sandy Alexander • Legislative Director/AME  
Kevin Rooney • CEO/Oil Heat Institute of Long Island  
All Other Interested Parties

**Minutes Taken By:**

Alison Mahoney • Court Stenographer

**(\* The meeting was called to order at 9:37 A.M. \*)**

**CHAIRMAN MONTANO:**

All Legislators, I'm going to call the meeting to order. Do we do a roll call, or just present? All rise, please. We're going to have the Pledge of Allegiance led by Legislator Lou D'Amaro.

***Salutation***

Thank you. Just very quickly, we received a call from Legislator Alden, he is delayed in traffic, he will be here shortly.

The first item on the agenda is correspondence; I don't believe we have received

any correspondence. I want to welcome all of you to the first meeting of 2006 of the Budget & Finance Committee. And with no correspondence, we're going to go into presentations.

I've asked the Budget Review Office to give us a budget overview for 2006, some of the projections. I've asked and invited some of the newer Legislators to come, whether or not they're here, but we would like to hear from BRO with respect to budget aspects so we can anticipate this year's projections. Gail?

**MS. VIZZINI:**

Thank you for the opportunity to address the committee. What we've prepared is a very brief overview of some of the issues in the 2006 Operating Budget, touching upon very briefly the Capital Budget, and I have Mr. Lipp and Mr. Reinheimer available if you have any questions after the presentation. Each of you have a copy of the Power Point.

Just to give you an idea of the scope of the budget, the County's total operating budget is a \$2.6 billion budget across 45 separate and distinct funds; twenty•one of these are separate Sewer Taxing Districts. The largest is the General Fund with adopted appropriations in 2006 of 1.9 billion. The next largest is the Police District with 2006 adopted appropriations of 501.6 million. For the purposes of our overview today, I'm going to focus primarily on the General Fund and County operations.

The sources of revenue to the General Fund that offset these expenses are sales tax, property taxes, Federal and State aid, departmental income, that's things such as user fees and interest on earnings on amounts of money that the departments collect. The largest source of revenue is sales tax, \$1.02 billion, 53% of all revenue to the General Fund.

Sales tax is not what it used to be. The growth rate for sales tax is decreasing from what was an adjusted rate in 2004 of 7% to what we included in the 2006 budget which was 3.5%.

**LEG. SCHNEIDERMAN:**

Gail, I just wanted to ask you how that compared to other areas of the country; is that just a slow down in the economy or is that something that's regionally specific?

***(\*Legislator Alden entered the meeting at 9:41 A.M.\*)***

**MR. LIPP:**

We've mirrored the •• you know, not exactly but we've mirrored the rest of the country. Consumer spending is starting to slow, expected to slow in 2006, although that remains to be seen exactly what happens, and in part because of interest rates are starting to creep up, the housing market is starting to cool off. There are a lot of positives also, but we've had higher growth rates and, you know, coming in to 2006, we think that we've sized it right, that we should come in right on target. But yeah, regionally and nationally, consumer spending is down. You could argue that, depending upon the numbers you look at, the local region is a little slower than national average, in part because of our higher costs such as housing prices, utilities, etcetera.

**LEG. SCHNEIDERMAN:**

Okay, thank you.

**CHAIRMAN MONTANO:**

Any other questions? Go ahead.

**MS. VIZZINI:**

General Fund property taxes are \$52 million, a very small percentage, 2.7% of all the revenue coming in to the General Fund.

Sales tax. Sales tax does not only go to the General Fund, but our collections of 1.2 billion are distributed mostly to the General Fund, but 58.6 million is included in the Police District offsetting Police District expenses for 2006, and 65.7 million goes to our Water Protection Program which is further delineated in to the different Water Protection Programs, including our Sewer Assessment

Stabilization Reserve Fund which receives approximately \$24 million.

One of the things when you develop a budget for the new year, you want to know how did we fair in the previous year. We ended 2005 with a very substantial carry•over fund balance, that 2005 carry•over fund balance is estimated at this point to be \$119 million. There will be some other refinements and some adjustments, particularly based on the fact that we did prepay retirement. It was budgeted in 2006, as you recall, but we did pay it in 2005, so the fund balance will be adjusted for that. We'll have a better number there in April of 2006.

The magnitude of our fund balance surpluses have been considerably large in the past several years and will be very, very difficult to replicate, particularly for 2007. Just to bring this point home, without the \$119 million fund balance that we used to offset General Fund property taxes in '06, our \$52 million levy would have been a \$171 million levy or a 229% increase.

Also in the 2006 Operating Budget are several reserve funds. Separate and apart from the fund balance is our Tax Stabilization Reserve Fund which provides us with an additional \$117.9 million. As I just referenced earlier, the Assessment Stabilization Reserve Fund is approximately \$34 million that is used exclusively for sewer expenditures, and most recently we did transfer \$7 million out of there to address the insurance liability as a result of the capacity problems at Southwest due to October's rainfall.

We also have the General Capital Reserve Fund which we colloquially refer to as pay•as•you•go. There is \$7.9 million in pay•as•you•go, this is our cash for projects that have use•for•life of less than five years. In contrast to what is in the operating budget, the Capital Program calls for \$24 million for pay•as•you•go projects, so we do have a \$17 million discrepancy.

Our Retirement Contribution Reserve Fund is now down to roughly \$12 million in light of the fact that we used quite a ••

**LEG. VILORIA•FISHER:**

Excuse me, Mr. Chair?

**CHAIRMAN MONTANO:**

Question.

**LEG. VILORIA•FISHER:**

I'm sorry, Gail. Can you just go back to the \$17 million discrepancy? I just want you to explain that a little bit clearer.

**MS. VIZZINI:**

Perhaps discrepancy is too strong a word. When we adopted the 2006 Capital Budget, we had 24 million in G money, in the pay•as•you•go, but that money is what comes from the Operating Budget to the Capital. When we adopted the Operating Budget, which came after, we only have 7.9 million in G money. So what is going to have to happen is of those projects that are scheduled in the Capital Program as G money, when we move on those resolutions we will need 14 votes to change the method of funding.

**LEG. SCHNEIDERMAN:**

To?

**CHAIRMAN MONTANO:**

Gail, question.

**LEG. SCHNEIDERMAN:**

To B money, to bond.

**LEG. VILORIA•FISHER:**

Okay, but ••

**CHAIRMAN MONTANO:**

Hold on, one at a time.

**LEG. VILORIA•FISHER:**

I'm not finished with my question yet. G money refers to pay•as•you•go money?

**MS. VIZZINI:**

Yes.

**LEG. VILORIA•FISHER:**

Is that what you are saying?

**MS. VIZZINI:**

General Fund, G.

**LEG. VILORIA•FISHER:**

General Fund money, okay, that's being used for Capital Projects if they're pay  
•as•you•go Capital Projects.

**MS. VIZZINI:**

Yes.

**LEG. VILORIA•FISHER:**

And you're saying that we had budgeted 24 million?

**MS. VIZZINI:**

We've scheduled in the Capital Program 24 million, yes.

**LEG. VILORIA•FISHER:**

In projects.

**MS. VIZZINI:**

Yes.

**CHAIRMAN MONTANO:**

Clarification. Gail, just the 17 or the 24 million that we scheduled, is that all

scheduled in 2006?

**MS. VIZZINI:**

Correct.

**CHAIRMAN MONTANO:**

Okay.

**LEG. VILORIA•FISHER:**

Okay. And then •• however •• so where is the 7.9 million?

**MS. VIZZINI:**

That's in the Operating Budget which we would transfer to the Capital to pay the pay•as•you•go.

**LEG. VILORIA•FISHER:**

But you said 24 was in the Operating Budget. I'm very confused by this.

**CHAIRMAN MONTANO:**

No, no, no.

**LEG. VILORIA•FISHER:**

Go through it step by step again; I'm sorry.

**MS. VIZZINI:**

Not a problem. We first have to ask ourselves how much pay•as•you•go on a policy basis do we want to have in the Capital. When we answered that when we were doing the Capital we said 24 million.

**LEG. VILORIA•FISHER:**

Okay.

**MS. VIZZINI:**

You know, we wanted to do equipment and computers and things of that nature. However, you have to include that much in the Operating Budget to be



transferred to the Capital if you're going to pay cash, as opposed to ••

**LEG. VILORIA•FISHER:**

Oh, I might have misheard you, I thought you said that we had put 24 million in the Operating Budget; we put 24 million in the Capital budget.

**MS. VIZZINI:**

Right.

**LEG. SCHNEIDERMAN:**

Capital, yes.

**LEG. VILORIA•FISHER:**

Okay, so I just misheard you, that's what threw me off.

**MS. VIZZINI:**

And that is the problem, we should have put 24 million in both.

**LEG. VILORIA•FISHER:**

To match, of course. Okay, thank you.

**CHAIRMAN MONTANO:**

But Gail, just clarification; it is possible that some of the projects that we put in to the Capital Budget in 2006 may not happen in 2006.

**MS. VIZZINI:**

Absolutely.

**CHAIRMAN MONTANO:**

Okay.

**MS. VIZZINI:**

And, you know, that's why I say if they progress and if we want to do them, we have to consider which ones would be done with cash.

**CHAIRMAN MONTANO:**

Right. So we don't really have a shortage until we start working on the projects.

**LEG. VILORIA•FISHER:**

Until we start appropriating.

**CHAIRMAN MONTANO:**

Until we start appropriating the money and spending it and begin the projects.

**MS. VIZZINI:**

Correct.

**CHAIRMAN MONTANO:**

Correct? Okay.

**LEG. ALDEN:**

Through the Chair?

**CHAIRMAN MONTANO:**

Legislator Alden.

**LEG. ALDEN:**

We have an imbalance in our budget, though. Right, we budgeted 24 million for cash projects?

**LEG. SCHNEIDERMAN:**

No, we budgeted seven.

**MS. VIZZINI:**

Well, I wouldn't say it was an imbalance, it's just •• they should be the same but they are not, but there is a way to address that.

**CHAIRMAN MONTANO:**

Right.

**LEG. ALDEN:**

Thank you.

**CHAIRMAN MONTANO:**

Legislator Lindsay, Presiding Officer.

**P.O. LINDSAY:**

Part of the \$24 million is over \$10 million in road resurfacing ••

**CHAIRMAN MONTANO:**

Yes.

**P.O. LINDSAY:**

•• that we put in as pay•as•you•go, and during the budget talks there was a great deal of conversation whether that should be bonded. You know, sometimes things that fit in to the pay•as•you•go criteria maybe shouldn't be pay•as•you•go, maybe they should be bonded in. I for one think that's one of them that should be bonded.

**CHAIRMAN MONTANO:**

I think the point is, Gail, at this point there isn't a shortage because in reality we haven't begun •• we haven't commenced any of the projects. If we do everything that we said we were going to do and we do it under the categories pay•as•you•go, then we would have a shortage, but we're not there yet, we're just aware of the situation. And as Legislator Lindsay said, we might actually not use the pay•as•you•go for some of those projects, but we'll make those decisions as we get further in to the year. Go ahead again.

**MS. VIZZINI:**

Okay. Continuing with the reserve funds, the retirement, we also established a Debt Stabilization Reserve Fund in the 2006 budget which was predicated on the

hope that we would receive reimbursement for Medicaid expenses and there is some good news on that front. It seems that the wheels are turning and there is a likelihood that we will, in fact, receive this \$13 million; again, this is something we will know further along in the year.

**LEG. SCHNEIDERMAN:**

Gail, should we get that money from the State? What happens to the 13 million we set aside in the Reserve Fund?

**MS. VIZZINI:**

Well, at this point it's for this •• when you set something aside for the Reserve Fund, it should be for that specific purpose, it's for debt stabilization, unless when we're crafting the 2007 budget we make major changes to what's in each of the funds. So at this point it's for debt stabilization and it should be used for debt stabilization.

**LEG. SCHNEIDERMAN:**

But if we received the money from the State, that that money was supposed to protect us in case we didn't receive the money, right; no?

**MS. VIZZINI:**

No, it's the same money. In other words, it's the holding tank, we'll have a Debt Stabilization Reserve Fund if this money comes in.

**LEG. SCHNEIDERMAN:**

Oh, I see.

**MS. VIZZINI:**

It was better to do that than to say, you know, we're going to run a particular program with this money and then not get the money.

**LEG. SCHNEIDERMAN:**

So it's really not there yet, that reserve.

**MS. VIZZINI:**

No, but we're hopeful that it is coming.

Money that we do have is a •• we adopted a fund balance for the employee health insurance, Fund 39, and 10 million of that is reserved in the event of catastrophic illness.

Some of the major expenditure items that you will be discussing in this committee and before you as a Legislative body always are permanent salaries and associated contractual increases and salary•related expenditures such as health insurance, retirement. There are still retirement appropriations in the 2006 Operating Budget. It would be our recommendation, as we did last year •• if you recall, the appropriations were in 2005 but we paid the bill in 2004, so what we did very early on in the process was to strike the unnecessary appropriations that were in the 2005 Operating Budget. This is a policy decision that we all are faced with, it would be my recommendation that we strike the concomitant amount of retirement appropriations since we used, for all practical purposes, the fund balance in 2005 to give us the money to pay the retirement in 2005.

**CHAIRMAN MONTANO:**

Is there a specific time limit or recommendation that you have with respect to striking these appropriations?

**MS. VIZZINI:**

Sooner is always better than later, it's just I bring it to your attention so that you know that they should be used to offset any other expenditures, but they should actually be stricken.

**CHAIRMAN MONTANO:**

Legislator Losquadro?

**LEG. LOSQUADRO:**

That was going to be my point, Mr. Chairman. I recall from last year, the running joke was I think we all thought we had a number of projects we would

like to offset with that money, so it was better that we strike it sooner rather than later. So I concur with moving forward on that as soon as possible.

**MS. VIZZINI:**

If you look at it, you know, 2005/2006, you really •• for the structural integrity of the budget, I believe it would be the right course of action.

**CHAIRMAN MONTANO:**

I don't know if you mentioned this; how much money are we talking about, approximately, in these appropriations?

**MS. VIZZINI:**

Well, we paid about \$102 million, so there is appropriations in the General and the Police District to cover that amount.

**CHAIRMAN MONTANO:**

Approximately 102 million?

**MS. VIZZINI:**

Yes.

**CHAIRMAN MONTANO:**

Okay.

**MS. VIZZINI:**

Medicaid. We are in transition on Medicaid, debt service is another area of expenditure which is increasing with our aggressive Land Acquisition Program and because of the size and scope of the jail.

Our energy costs are also something, the Budget Review Office was not confident that there were sufficient appropriations in the energy lines in the 2006 Operating Budget, so that is something that we'll continue to monitor during the course of the year.

**CHAIRMAN MONTANO:**

Gail, if I may. With respect to debt service, you say it's increasing; do you have

an idea by what percentage it's increasing, or what percentage of the budget is debt service, this year versus last year or projections? If you know, I don't think you were aware I was going to ask this, but it just came up.

**MR. LIPP:**

Well, actually our debt service had gone down in 2005. It was in the General Fund, off the top of my head, like 115 million, then it dropped to like around 80 or something like that.

**CHAIRMAN MONTANO:**

What caused that drop?

**MR. LIPP:**

Because we refinanced, we had this \$100 million savings plan in '04 and we refunded, because of low interest rates, a lot of debt and we took •• we got some savings up front, so there was a big drop in '04, so the base is artificially low. It popped back up and then in '06 it's going to go up, I'll say about eight million, maybe 10 million, I don't know, for the General Fund.

**CHAIRMAN MONTANO:**

It would be an 8% increase?

**MR. LIPP:**

Ten percent, but it's still below what it was, you know, in the prior year, so we're still ahead of the game. The big problem moving forward, as Gail just said, is that we have an aggressive Land Acquisition Program and the jail, so moving forward we're going to see increases in debt service in all likelihood, so that won't be a savings to us, that will be an increased cost.

**LEG. SCHNEIDERMAN:**

Through the chair?

**CHAIRMAN MONTANO:**

Go ahead, Legislator Schneiderman.

**LEG. SCHNEIDERMAN:**

Do you know approximately of the debt service how much is interest now that we're carrying?

**MR. LIPP:**

Typically when you borrow it's maybe overall a third interest, that's just like a rule of thumb; I don't have the number in front of me but I could get that for you. So in other words, municipal bond borrowing is relatively inexpensive and we've benefitted simply because the rates are low, but maybe a third.

**LEG. SCHNEIDERMAN:**

Say 30 million or ••

**MR. LIPP:**

Yeah, 30 •• well, yeah, maybe 30 out of •• say 30 for interest and 70 for principal, but I could get you the exact numbers.

**LEG. SCHNEIDERMAN:**

On the land acquisition side, I know the money has been coming from several different sources, but some of it is straight out of the budget and some of it comes from that sales tax portion.

**MR. LIPP:**

What I was referring to is we've aggressively increased the amount coming out of the General Fund which is above and beyond the sales tax allocation.

**LEG. SCHNEIDERMAN:**

But that wouldn't be effecting the debt service, so we ••

**MR. LIPP:**

Oh, yes it would because it's ••

**LEG. SCHNEIDERMAN:**



We must be borrowing a lot of money then.

**MR. LIPP:**

Yeah, it's coming out of the General Fund and there are a couple of laws that were passed that say we have to borrow for a couple of programs like SOS by the end of 2007, we have an aggressive schedule.

**LEG. SCHNEIDERMAN:**

But that's all within what the voters had decided, right, those were the bonds, the referendums?

**MR. LIPP:**

It's going to affect the General Fund only and, therefore, other things being equal, probably taxes will go up.

**LEG. SCHNEIDERMAN:**

There was a \$75 million referendum.

**MR. LIPP:**

Yes. Of course, other things aren't always equal.

**LEG. SCHNEIDERMAN:**

Okay.

**CHAIRMAN MONTANO:**

Legislator Vilorio•Fisher.

**LEG. VILORIA•FISHER:**

I just wanted to ask at what point •• I know that our debt service will be increasing greatly with the jail and the land acquisitions, as you indicate here, but at what point does the percentage of debt service begin to trigger a close look by bond rating agencies, and are we anywhere near that threshold?

**MR. LIPP:**

We're nowhere near, the rating agencies in general love us.

**LEG. VILORIA•FISHER:**

Okay.

**MR. LIPP:**

The biggest problem will be self-imposed. If there are other issues like sales tax growth slows or increase in expenditures for whatever reason, then it won't be a help debt service, it will be a hindrance and then we'll start looking at it more closely. It's a policy issue on your part.

**CHAIRMAN MONTANO:**

Legislator Alden.

**LEG. ALDEN:**

Hi. Basically, the way I get it, though, is the jail •• there's only a small amount that we're going to be spending in '06 on the jail. So the jail project is scheduled to start •• well, not scheduled to start, but if we proceed by the time line that we've laid out, it won't start till middle to late '07 and then go in to '08. In '06 specifically, the County Center in Riverhead, is that out to bid or is that at a point where we actually have to borrow the money to expend on that?

**MS. VIZZINI:**

Based on my discussions with the department, the contracts are ready to go to the next step. I believe that we may be ready to go to bid depending on the direction that the department is given. I would have to, you know, defer to the department or check back with them in terms of a more current update, but that was •• when we were considering rescinding the authorization to move ahead, that was the status update that I received.

**LEG. ALDEN:**

Okay, and I'll address that in a minute to the Chair. Do we have a reserve for insurance claims? Because we're self-insured. I know that you just went over and said that you have insurance for health insurance.

**MS. VIZZINI:**

We basically paid that on a current basis and if the •• our liability exceeds that, we would bond what we needed.

**LEG. ALDEN:**

Is that something that would be recommended practice? Because I know insurance companies, you know, they're required by law to put aside a certain reserve to pay claims out, and because we're self-insured we never really addressed that until the bill comes due.

**MS. VIZZINI:**

That is an issue that the Budget Review Office does address in our review and we have recommended, we tried in this cycle to add additional funds specifically for that purpose, it is policy decision.

**LEG. ALDEN:**

But the safer way financially is to actually budget it and put the money in to a reserve account then, wouldn't it be?

**MS. VIZZINI:**

It's less expensive.

**CHAIRMAN MONTANO:**

It could be less expensive based on whether or not you have to bond, but I think that's something we can take up probably in the Ways & Means Committee.

**LEG. ALDEN:**

Well, actually it's ••

**CHAIRMAN MONTANO:**

It crosses over.

**LEG. ALDEN:**

Yeah, because Ways & Means approves the settlements whereas Budget should

look at the overall performance of, you know, what we're doing in the County in the course of the year.

There's two things that I think we have to address, you know, and they're going to be really serious. If we don't do the County Center this year, I mean, there's two things that can happen there, you can either cancel the project and then, of course, we don't have to bond for the money, but if we don't do it this year and we push that in to '07. Now you're going to have part of the jail starting in '07 and you're going to have the County Center starting in '07 and you're going to have the three or \$400 million overhang of projects that we have pushed along all coming due in '06/'07. So that's a dangerous road I think to go down, basically.

But more importantly, I think we've got to look at a way to ween ourselves from this budget surplus. Because as you pointed out, it's going to be really tough to go and develop a hundred and something million dollar for next year and the year after and I think we need a long-term plan to actually get away from that budget surplus, plus it's a little bit more honest to the people in Suffolk County when we pass a budget and we actually expend the things the way we say we're going to expend them, rather than have •• and that's getting up to about 10%, right, 5%, 10% as far as a budget surplus, of the total budget. So \$117 million of things that we told people we were going to spend money on and then we don't, that's a big difference between what we should be doing and I think what we can do.

**CHAIRMAN MONTANO:**

Anyone else? Gail, you want to move forward?

**MS. VIZZINI:**

Yes, thank you. I just wanted to underscore a few more items about Medicaid. The State has taken over •• basically the State has capped Medicaid expenditures and the question is, you know, what is that base going to be? Our 2005 expenditures will be that base. We'll have a better idea later in 2006 exactly what that figure is, however, we're getting closer in terms of knowing what our expenditures are. This cap, this 2005 base will then increase by 3.5%

in '06, 3.25 in '07 and 3% in '08; in other words, our local piece of the action is going to be a known number, so ••

**CHAIRMAN MONTANO:**

So that's now a fixed cost, basically, plus the •• not including the increase of the three and a half percent so we can budget appropriately, is that what you are saying?

**MS. VIZZINI:**

Exactly.

**CHAIRMAN MONTANO:**

Okay.

**MS. VIZZINI:**

So from a budgetary point of view, it puts us in a very good position.

Preliminary indications are that •• you know, based on our preliminary weekly share data, it's possible that we may in 2005 have even more of a surplus in Medicaid than we originally thought, about \$20 million, and since we were conservative when we budgeted the 2006 figure, we may have about \$16 million in 2006; what I mean by that is we put in more money in 2006 than we may actually need. Again, we're in transition, but the •• our weekly share data, starting with the end of 2005 and beginning in the first month of the year, it looks very good that we may have some surplus there. It is a mandated expenditure, however.

Effective in 2008, the localities will have had to take a hard look at this to determine whether this is the option they want to stay with, this fixed cap number with these percentage increases, or do we give the State a fixed percentage of our sales tax? And prior to that policy decision, the Budget Review Office will do whatever necessary analysis you may require for those decisions.

**CHAIRMAN MONTANO:**

Gail, just so I understand this, are you saying that we have the option of, I guess what it says here, fixing a certain percentage of sales tax for Medicaid, irrespective of the dollar amount we collect? In other words, if we're collecting a billion, 10% of that would go to Medicaid, is that what you said?

**MS. VIZZINI:**

The option is for us to continue to pay this local share ••

**CHAIRMAN MONTANO:**

Okay, of the Medicaid.

**MS. VIZZINI:**

•• the way it is, or to give a percentage of our sales tax.

**CHAIRMAN MONTANO:**

A fixed percentage.

**MS. VIZZINI:**

At this point ••

**CHAIRMAN MONTANO:**

And our sales taxes are •• our revenue from sales tax is declining.

**MS. VIZZINI:**

It is, but it's still substantial.

**CHAIRMAN MONTANO:**

Go ahead.

**LEG. ALDEN:**

Just one clarification.

**CHAIRMAN MONTANO:**

Legislator Alden, I just want to be clear on this.

**LEG. SCHNEIDERMAN:**

It increases.

**LEG. ALDEN:**

If our sales tax is four point something percent in Suffolk County, we would be giving a portion of that, not a dollar amount, it would be a percentage, from what I read. So we would be giving one or two, whatever percent ••

**CHAIRMAN MONTANO:**

The dollar amount is •• well, the decrease is in the anticipated increase. In other words, our increase is decreasing ••

**MS. VIZZINI:**

Our Medicaid ••

**CHAIRMAN MONTANO:**

I get it, okay.

**MS. VIZZINI:**

Our Medicaid costs aren't going down, so preliminarily this looks like a better fit for us than giving the State a percentage of our sales tax.

**CHAIRMAN MONTANO:**

I agree. Okay, we're going to have a list here. Legislator ••

**LEG. SCHNEIDERMAN:**

I just wanted to clarify something that you said before. It's not that our sales tax revenues are going down, it's just ••

**CHAIRMAN MONTANO:**

The increase.

**LEG. SCHNEIDERMAN:**

•• the percent that they're increasing is ••

**CHAIRMAN MONTANO:**

Right, is lower than it was a year before; I misstated on that. Legislator Cooper?

**LEG. COOPER:**

Gail, once we •• in 2008, once we select which option we want to go with, either staying with this method of payment or providing a fixed percentage, is that a permanent decision or can that be re•evaluated after a certain period of time?

**MS. VIZZINI:**

I'm not sure. More than likely they will clarify exactly what any •• what the process is going to be; at this point, we know something is going to happen in 2008. Okay, Robert has a little bit more information.

**CHAIRMAN MONTANO:**

Do you know by when we're going to be called upon to make this kind of decision?

**MR. LIPP:**

During 2007. But preliminarily, without looking at the specifics yet, from what I've looked at we're not going to change to the sales tax method. It's going to be fixed at 3%, the growth in Medicaid, which is, you know •• which is like maybe 230 million •• 237 million I think we budgeted for this year. A quarter percent, which is what we'd probably be giving up, is 270 million this year, sales tax generally runs a lot more than 3%, so other things being equal right now, unless they change the parameters, no way.

**CHAIRMAN MONTANO:**

Okay. Go ahead.

**MS. VIZZINI:**

And one of the other things that the State is doing in terms of holding down the Medicaid costs is providing a hundred percent reimbursement for staffing positions in the localities to address cost efficiencies and make sure that the



Medicaid costs are kept down. So if •• it's also a good opportunity to take advantage of that.

**CHAIRMAN MONTANO:**

I have a question from Legislator Vilorio•Fisher.

**LEG. VILORIA•FISHER:**

Robert, if I recall, this option to provide a fixed percentage of the sales tax revenue was something that we had visited about three years ago when the Medicaid costs were really spiraling up and out of control, before the State had worked on this program. And I think that's why it's in the mix right now, because at that time I recall Maxine going up to Albany and discussing this because we were so burdened by the Medicaid overruns; this was the history of that particular option, wasn't it?

**MR. LIPP:**

Yes, exactly, we had double digit growth rates for a while. And if I understand correctly, the sales tax option, it's beneficial probably to smaller counties that don't do very well with their sales tax.

**LEG. VILORIA•FISHER:**

And we didn't have the other option available to us, the cap was not available at that point.

**MR. LIPP:**

Right, it was no such animal back then, right.

**LEG. VILORIA•FISHER:**

And we were increasing •• at that time I was Chair of the Social Services Committee and I think it was increasing at \$5 million a week or a month.

**MR. LIPP:**

Another way to look at it is State/Federal mandates were a huge, huge problem

up until this past year, this year's budget we had tremendous savings from State mandates in Medicaid and that will continue in '06.

**CHAIRMAN MONTANO:**

Very good. Any other questions? Go ahead.

**MS. VIZZINI:**

The budget model. The budget model is a series of assumptions where the Budget Review Office, independently from the Executive's Budget Office, yet cooperatively, forecast expenditures in revenue, and in anticipation of preparing the next fiscal year's budget. We do that for both the mandated and the discretionary expenditures. The Charter requires us to meet quarterly and to develop a consensus forecast which we will present to the committee to keep you abreast of the concerns in 2006 and the upcoming concerns in 2007.

As I said before, the fund balance is a challenge, it's difficult to regenerate for 2007. However, we do have the Tax Stabilization Reserve Funds and we continue to state that pursuant to General Municipal Law, we would have to have a small increase in the property tax levy of 2.5% in order to access these funds; that would be about \$1.3 million, the average taxpayer impact would be \$2.34.

Also under the committee's jurisdiction is the Capital Program, it's a five year plan, monies are scheduled in three of those years; the category of subsequent years is the additional two years. I wanted to bring to your attention that the County Executive has issued an All Department Heads Memorandum with very, very narrow criteria for the 2007•2009 Capital Project Requests. All the departments put together their Capital Project Requests, Budget Office gets a copy and we get a copy, the County Executive does his Recommended Capital Program, the Budget Review Office does our report and the Legislature, if it so desires, may make changes to the proposed document.

In the ADH, the County Executive sites some concerns: The authorized unissued debt that's already in the pipeline; the fact that we are required/mandated to construct a jail; the fact that we want to keep our debt service level; concerns about pay•as•you•go; and the departments must also consider the Operating

Budget impact of any of the Capital Projects.

As a matter of fact, in that memorandum it's indicated to the department that unless there is some urgency, no new projects are to be included in 2007 or 2008. Priority would be given to those projects that are already in the program, and it is unlikely that any projects would be included unless they are recommended by the County Executive or the Budget Review Office.

I wanted to bring to your attention, too, that the County has just begin implementation of a new Integrated Financial Management System which, like any new system, may impact a little bit in terms of our current abilities to pay our bills promptly and to get data and what have you as we just simply go through the transition from the old system to the new system.

**LEG. SCHNEIDERMAN:**

Can I ask a question?

**CHAIRMAN MONTANO:**

Go ahead, Legislator Schneiderman.

**LEG. SCHNEIDERMAN:**

That statement about new Capital Projects is largely based on the cost of the construction of the new jail. My question is are there any cost savings with this jail in terms of not having to transport prisoners out of the area and pay the cost, is there any savings that ought to be factored in to determine whether there is any room for some Capital Projects that would otherwise be put on hold?

**MS. VIZZINI:**

I'm sure ••

**LEG. SCHNEIDERMAN:**

In other words, the jail is considerably bigger than what we currently have and right now there are a certain number of prisoners who are being bussed out of the area.

**MS. VIZZINI:**

Historically, we have transported as many as 150 to 200 prisoners. Right now, the latest information I have from the department, was there were maybe 30 prisoners that are being housed outside the County, and those numbers fluctuate depending on the seasonality, depending on the types of offense.

The size and scope of the jail and the number of beds is something that is also in flux. It's being •• it's currently been modified several times and understandably so, to give consideration to the incoming administration, I think the Sheriff most deservedly should have an opportunity to review whether some of the things that are incorporated in the current design are consistent with his philosophy and policy regarding corrections. So I think by the time the Capital Program comes out, there may be some more information available to us and even some more changes.

**LEG. SCHNEIDERMAN:**

I guess my point, since you're saying that we ought to maintain a level debt service, is we have to look at Capital Projects because some Capital Projects have revenue generating components and some don't, some are just expenditures and some have returns based upon them. So I just want to make sure that that's being factored in to the economic picture so that we're not foregoing certain Capital Projects that we could afford to continue with.

**MS. VIZZINI:**

I'm glad you bring that up, because although not included in the words of my presentation, our Capital Ranking Form which ranks Capital Projects allows us to differentiate a quantitative value from one to another. It's our recommendation and has been that the Capital Ranking Form be reviewed and some of the criteria be updated in order to reflect some of those very things. Certain projects tend to do very, very well because they are highly reimbursed from outside, other projects do not even though they are necessary so that our facilities are kept current and habitable. So we're going to bring some criteria to the forefront and see if perhaps we can get the ranking form to reflect some of the things that are of concern to the Legislature and to the County Executive.

**CHAIRMAN MONTANO:**

Gail, that's actually a good point, I've wondered myself on many occasions how we got the ranking. Who does it; is it BRO, is it in conjunction with Public Works? How do we get that this has a ranking of 53 versus 47?

**MS. VIZZINI:**

It was done by resolution, the resolution cited the criteria and the form was developed by the Budget Review Office and then, of course, shared with the departments so that they could ••

**CHAIRMAN MONTANO:**

Have input?

**MS. VIZZINI:**

•• rank it and what have you. We think it's time to take another look at that.

**CHAIRMAN MONTANO:**

I do, too, I'd like to •• if you could provide us with •• at the appropriate time we can discuss this in terms of maybe revisiting that so everyone understands what the ranking actually means and we take it from there.

**LEG. D'AMARO:**

Rick, I have a question.

**CHAIRMAN MONTANO:**

Legislator D'Amaro.

**LEG. D'AMARO:**

Yes, thank you. Thank you for your presentation, first of all, it's excellent. I appreciate the help.

Looking back at the written version, you have, "How did we end 2005," and there's a paragraph reference, "Continued large surpluses referencing the 100

million plus." And then under Budget Model, the page labeled Budget Model, you also talk about, "Preliminary indications without the 119 million fund balance will be very difficult to regenerate"; is that referring to the same situation?

**MS. VIZZINI:**

Right.

**LEG. D'AMARO:**

All right. And just explain to me, one more time if you would, what causes that fund surplus and why it would be difficult to regenerate in the next upcoming budget.

**MS. VIZZINI:**

Usually the surplus is composed of appropriations that, for whatever reason, did not get spent, or revenue came in in excess of what we conservatively thought it might be. So it would be a combination of not spending and, therefore, having appropriations, or in the past it's been very much attributable to unexpected Federal and State aid. For example, although we know that we expect this 13 million in Medicaid recoveries, had we not had the foresight to know that, sometimes something like that might come in and say we •• the State owes us this money. So sometimes it's somewhat unexpected.

**LEG. D'AMARO:**

So in the past budget, the surplus was generated mostly by unexpected aid as opposed to sales taxing •• generated sales tax increase or something like that?

**MS. VIZZINI:**

Most of •• going back several years, it was mostly sales tax was •• even we could not project and forecast how optimistic the sales tax was going to come in. And remember, too, that when you do a budget you want to be conservative, you don't want to be optimistic because then you end the year with a shortfall. However, there has also been •• the State has reimbursement rates where they pay us at a certain rate and then they may go back and change those rates to a higher rate to finally reflect what the costs are and then we'll get a lump of money.

**LEG. D'AMARO:**

But why is it so high? You know, I understand that you have to be conservative in forecasting a budget, but why would it rise to \$100 million level?

**MS. VIZZINI:**

Well, in 2004 there was a concern as to •• several things were happening. Health insurance was increasing double digits, retirement, because of the stock market, the change in the stock market retirement was also increasing in double digits and several things happened. By mid 2004 the County Executive and the Legislature came together with a rather stringent cost•cutting resolution that actually resulted in almost \$100 million worth of savings. Shortly thereafter, the State came forth with the opportunity for us to lag our retirement payment. It also came forth •• two big things happened; Medicaid and retirement. There is over 300 and •• there's over \$300 million budgeted in 2005 for Medicaid, but with the State taking it over we were able to save \$75 million right there in 2005.

The short answer to your question is we're changing in the manner in which we can pay the retirement and the State takeover of Medicaid gave us a big pop in 2005, so we had money to carry over.

**LEG. D'AMARO:**

So the hundred million plus is more generated from unexpected revenue as opposed to appropriations that were not spent; is that accurate?

**MS. VIZZINI:**

There are also appropriations that were not spent.

**LEG. D'AMARO:**

What percentage, what would be the breakdown between those two sources? Appropriations not spent as opposed to unexpected revenue; what's the breakdown to make up the 119 million?

**MR. LIPP:**

Well, you have \$75 million in just Medicaid expenditures savings, and there's probably a little more than that, so you're probably talking about maybe 70% of the action is on the expenditure side at least •• no, I would say more than that, I would say almost everything is on the expenditure side. Because the State •• what we did is we piggy•backed with other municipalities that were having budgetary problems this past year, so we were doing good, others were doing bad. What happened is because it was a large retirement bill, the State allowed municipalities to lag a year, so we've put in our budget basically one less year of 60 some odd million dollars in the General Fund, a similar amount in the Police District that we didn't have to put in; on top of that is another 75 million in State mandated Medicaid costs, a drop, we went from double digits to non double, to single digits. So that's •• if you went back to •• I have a file•up here •• 1993, you would observe a fund balance deficit, so it could happen.

**LEG. D'AMARO:**

Well, just one more quick question, Mr. Chairman. The statement under Budget Model is that it will be very difficult to regenerate, and I think I understand that in the sense that when things occur that create a surplus or unexpected revenue, you don't know obviously when they're going to happen until they happen. But are you saying that you will try to regenerate the fund balance, or is it something that you just don't know whether or not it will occur?

**MS. VIZZINI:**

Actually, it's the County Executive who administers the budget.

**LEG. D'AMARO:**

Okay.

**MS. VIZZINI:**

In terms of your earlier question, the ratio of what part of the fund balance was related to expenditures versus revenue, it's kind of a two to one. There was roughly \$190 million in appropriations that we did not spend, a combination of retirement and Medicaid, and \$88 million in revenue that did not •• that came in higher than we anticipated; so two to one.



The reason it's going to be difficult to regenerate is Medicaid is ironing itself out and retirement we pretty much know what we're doing with. Now, we do have reserve funds and we do have access to Tax Stabilization Reserve, I'm not saying that it's going to be a terrible problem, and property taxes can always kick in to fill in that last piece of the puzzle. But there has to be a political will to address that source of revenue or come up with some other source of revenue.

**CHAIRMAN MONTANO:**

Legislator Alden, you have some questions?

**LEG. ALDEN:**

Yeah. You're talking about raising taxes, so that definitely is a •• it's a political will thing.

Just one part of this, and I think that maybe we have to address it more than you do, but new projects shall not be requested prior to the 2009 Program unless there is an urgency; that almost •• to me, there's a danger sign right there, a danger signal that that's going to have a stifling effect. Because if somebody in a department really has something that can save money or make streamlining of government happen, that might not be an urgency and that project might never come to light or come to our attention if this type of policy is implemented. And I would suggest maybe some joint meetings, through the Chair, we get some people down from the County Executive's Office and allow those projects to actually be submitted and evaluated, because there's a possibility that under the new ranking system that you mentioned before, we might want to do away with an old project if there's a new one that can streamline, cut costs, you know, but wouldn't fall in the urgency category. So I would hate to see, you know, a stifling effect go right through and tell people that if you have a good idea, don't even bother with it because we now have a policy that we're not going to look at any new projects.

**CHAIRMAN MONTANO:**

I don't think that was stated in the absolute, was it?

**LEG. LOSQUADRO:**

It says shall not be.

**LEG. ALDEN:**

It sounds like ••

**MS. VIZZINI:**

Well, these are •• I'm highlighting from the memoranda that was sent to the departments, giving them their customary parameters under which they should take into consideration when they submit their projects. If it gets to the point where it is at least a new project request, Budget Review will analyze it and we'll write it up and it will appear in the review.

**LEG. ALDEN:**

But the problem is it won't come to you because of this directive, so maybe we could get a restatement by the County Executive and allow for that free flow of information of ideas, you know, back up the chain instead of, you know, like us dictating going down.

**CHAIRMAN MONTANO:**

We'll go further on that. Are there any other questions with respect to the presentation by the Budget Review Office? Legislator •• Presiding Officer Lindsay.

**P.O. LINDSAY:**

Gail, when will we have definitive numbers in '05 in terms of the surplus?

**MS. VIZZINI:**

April of '06.

**P.O. LINDSAY:**

April of '06. The other thing as far as the surplus, doesn't unfilled positions that are funded in the budget certainly add to that surplus?

**MS. VIZZINI:**

You're absolutely correct. That's another area, Legislator D'Amaro, in terms of your question. There are substantial appropriations for positions in the Operating Budget, probably sufficient appropriation to fill an additional 600 positions in the General Fund alone than what was filled at year•end. It is a mechanism whereby the County Executive understandably can control the amount of expenditures within departments. Departments must request on a quarterly basis and justify the filling of positions, and many factors are taken into consideration by the Budget Office in making their determination as to what gets filled, when, at what point in the year, what it's going to cost, whether there's revenue, etcetera. The tracking of filled and vacant positions is something that we do on a routine basis for this committee because it has implications for the budget model, and we'll continue to do that for you.

**P.O. LINDSAY:**

Do you have a dollar value on what that is? What are those 600 positions worth, 24 million?

**MS. VIZZINI:**

We think it's about 24 million, yeah.

**CHAIRMAN MONTANO:**

Any other questions, comments from members of the committee?

With that, Gail, Robert, I want to thank you for the presentation, it was very informative.

We're going to move on. However, I'm going to take the prerogative of the chair and just go back one step because we actually have •• no, I'm going to move forward. Public portion, and we have one card submitted by Kevin Rooney from the Oil Heat Institute of Long Island and the topic is home heating and tax repeal. Kevin, you want to step forward? You have three minutes.

**MR. ROONEY:**

Thank you, Mr. Chairman, Members of the Committee. My name is •• for the

record, my name is Kevin Rooney, I'm the Chief Executive Officer of the Oil Heat Institute of Long Island. For those who have been on the Legislature before, with the exception of Mr. D'Amaro, since it's inception I have spoken to various committees and the full Legislature on the issue of energy sales taxes no less than seven times.

I notice on the agenda today an Introductory Resolution, actually two, by Legislator Alden to repeal the Home Heating Nuisance Tax on Suffolk County residents. Prior to the rollback of the tax rate from 2 1/2% to 1 1/2% in the last Legislature, had that rate remained in tact at 2 1/2%, the average homeowner would spend approximately \$60 in the County energy tax this year on the heating oil portion of their energy consumption alone, not counting the tax that would apply to any consumption of natural gas or electricity. Notwithstanding the 1% reduction •• and we welcome that and we did, in fact, support it •• and due in large part to the dramatic increase in all energy costs across the board, the average homeowner in Suffolk County will end up spending approximately the same amount this year as they spent last year at a higher percentage rate given the fact that energy costs across the board are up anywhere from 25 to 35% over what they were the previous year. And it's interesting that you are talking about the budget, and given the inherent volatility of energy prices and the fact that energy consumption has a very significant variable, and that is the weather, it is clear that it is nothing less than fiscal folly for the County to tie its annual budget and its revenue projections on taxes on the sales of energy commodities.

When the issue of •• or in the two resolutions sponsored by Legislator Alden come up for consideration, we would strongly urge that they be moved to the full Legislature for their consideration. Thank you,  
Mr. Chairman. I'll answer any questions if anyone has any.

**CHAIRMAN MONTANO:**

Thank you, Mr. Rooney. Any questions? Are there any questions from any members of the Legislature? Thank you, Mr. Rooney.

**MR. ROONEY:**

Thank you, sir.

CHAIRMAN MONTANO:

Let's move forward.

*Tabled Resolutions*; there obviously are none.

*Tabled Home Rule Messages*; none.

**Introductory Resolutions**

***1039•06 • To readjust, compromise and grant refunds and chargebacks on correction of errors/County Treasurer by: County Legislature No. 225 (County Executive).***

LEG. SCHNEIDERMAN:

Motion.

LEG. COOPER:

Second.

CHAIRMAN MONTANO:

Motion, second. All in favor? Opposed? Abstentions? Carried.

Resolution 1040 ••

LEG. COOPER:

You want to put it on the consent calendar?

CHAIRMAN MONTANO:

With respect to Resolution 1039, motion that this be placed on the consent calendar; motion made by me. Second?

LEG. D'AMARO:

Second.

CHAIRMAN MONTANO:

All in favor? Opposed? Abstentions? ***Approved and placed on the consent calendar (VOTE: 7•0•0•0).***

***Resolution 1040•06 • To readjust, compromise and grant refunds and chargebacks on correction of errors/County Treasurer by: County Legislature No. 226 (County Executive).***

LEG. LOSQUADRO:

Motion.

CHAIRMAN MONTANO:

Do I hear a second?

LEG. LOSQUADRO:

Motion to approve and place on the consent calendar.

LEG. COOPER:

Second.

CHAIRMAN MONTANO:

All right, to approve and place on the consent calendar. All in favor? Opposed? Abstentions? Motion is carried. ***Approved and placed on consent calendar (VOTE: 7•0•0•0).***

***Resolution 1042•06 • To readjust, compromise and grant refunds and chargebacks on correction of errors • •***

LEG. LOSQUADRO:

Same motion.

LEG. VILORIA•FISHER:

Same motion.

CHAIRMAN MONTANO:

Let me finish reading it for the record •• ***the County Treasurer by: County Legislature No. 228 (County Executive)***. Motion, second.

All in favor? Opposition? Abstentions? ***Approved and placed on the consent calendar (VOTE: 7•0•0•0).***

*1043•06 • To readjust, compromise and grant refunds and chargebacks on correction of errors/County Treasurer by: County Legislature No. 227 (County Executive)*. Motion?

LEG. LOSQUADRO:

Same motion.

CHAIRMAN MONTANO:

Same second. All in favor? Opposed? Abstentions? And that's to place on the consent calendar, correct?

LEG. LOSQUADRO:

Yes.

CHAIRMAN MONTANO:

***Approved and placed on the consent calendar (VOTE: 7•0•0•0).***

*Introductory Resolution 1049•06 • Repealing Home Heating Nuisance Tax on Suffolk County residents (Alden)*. Explanation.

LEG. ALDEN:

Motion to table.

LEG. COOPER:

Second.

LEG. ALDEN:

And I can give you an explanation, if you want.

**CHAIRMAN MONTANO:**

Well, if we're going to table it, we'll just table it now and take up the dialogue at another time. All in favor of tabling? Opposition? Abstentions? Motion carries unanimously. ***Tabled (VOTE: 7•0•0•0).***

***Resolution 1052•6 • Establishing a program to reduce an unfair Home Heating Fuel Nuisance Tax on Suffolk County residents (Alden).***

**LEG. ALDEN:**

Motion to table.

**LEG. COOPER:**

Second.

**CHAIRMAN MONTANO:**

Okay. No discussion? All in favor of the motion to table? Opposed? Abstention? Motion carries unanimously. ***Tabled (VOTE: 7•0•0•0).***

No Home Rule Messages.

Any comments by Legislators before we adjourn?

**LEG. ALDEN:**

Through the Chair?

**CHAIRMAN MONTANO:**

Sure.

**LEG. ALDEN:**

These last two that we tabled without discussion, I think that we've got to give a serious look to what we really want to put as a priority in Suffolk County. We're going to have some numbers as far as what this costs us on lost revenue, because we did implement it in December. It wasn't a real cold December, I don't think, of course this week is not a good week to judge by because pretty



much I don't think you have your heat on. You know, hopefully by the time we get around to this, which we really should discuss some time in January, whether we're going to extend this program or what we want to do into the future as far as either give tax relief or go back to the old method of collecting the tax on this. But I think that now really is the time to discuss it and not let it go to like mid June or something along those lines.

**CHAIRMAN MONTANO:**

Let me say this. When we do engage in the conversation, discussion of these issues, what we would be looking for is projections from BRO with respect to the fiscal impact that passage of these resolutions would have. And you know, it's my feeling that we •• we will look at this, we will look at this and we should look at this in conjunction with the overall budget, because this obviously is going to have some fiscal impact on the budget that was recently passed, but we will entertain all of those discussions at the appropriate time. And if we take this up next time, I would like to get an idea for the committee with respect to what the fiscal impact would be, what this would do to our existing budget and our budgets in the future.

**LEG. ALDEN:**

Also, just to ••

**CHAIRMAN MONTANO:**

Go ahead, Legislator Alden.

**LEG. ALDEN,**

•• frame the issue, because we do have one new Legislator on here, you know, we set policy for the County. So if we're going to impact our own revenues, you know, a lot of times it can't just be a thought of, okay, it costs us X number of dollars. And what we're trying to accomplish with this is, you know, give people relief on basically a commodity that they can't live without. So if we can make it a little bit more affordable for somebody to stay in their home, I think, and that's what every one has to search our souls and our hearts, if that's what we want to do as County Legislators, then we can go that route.

**CHAIRMAN MONTANO:**

And I don't disagree. And when we do look at this, let's look at if, in fact, we're going to have an impact on the budget, where in other areas that impact would be felt. So we will take this up at the next meeting.

If there's nothing further, I'll entertain a motion to adjourn.

**LEG. D'AMARO:**

So moved.

**CHAIRMAN MONTANO:**

This meeting is adjourned. Thank you very much.

***(\*The meeting was adjourned at 10:37 A.M. \*)***

***Legislator Ricardo Montano, Chairman  
Budget & Finance Committee***

\\_ \\_ • *Denotes Spelled Phonetically*